

Social Questions Bulletin

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STATE OF U. S. ECONOMY

Farmers Income Down

Depression for the nation's farmers preceded the Great Depression, and was its prelude.

There has been a downward trend in the parity ratio of farm prices (prices farmers receive compared to prices they have to pay) since Oct., 1946, when farm prices were at 122% of parity. The Korean War interrupted the downward trend, but only temporarily. It has been resumed, and now in 1953 farm prices have fallen to below 100% of parity: to 95% in Jan. and down to 94% in mid-February. In the two-year period following Feb. 1951, prices received by farmers dropped by 16% while prices they paid rose slightly.

The farmers' share of national income is now 6.5%. In 1932 at the depression's bottom, it was 7.3%, in 1946 10.8%.

The Bureau of Agricultural Economics reports per capita farm income dropped from \$969 in 1951 to \$924 in 1952—non-farm income rose to \$1827 from \$1744.

The net income of farmers is expected to drop another 5% this year.

Since the economic decline on the farms began in 1946, farmers have been keeping less of their gross income: 49% in 1946, but only 36.7% now.

Lower prices to farmers have not meant lower retail prices for consumers. When farmers got less for hogs and wholesale pork prices were down, retail pork chop prices actually rose. Moody's Stock Survey reported (12/15): "Retail food prices have remained near peak, ignoring a substantial drop in prices of agricultural staples."

The farmer has been getting less of the consumer's food dollar: 53c in 1946, 50c in Dec. 1951, and 45c in Dec. 1952—the smallest share the farmer has received since 1941. The increasing share to middlemen has tended to keep consumer prices up while prices to the farmer went down.

MFSA ACTS FOR PEACE AND LIBERTY

In its April 13 meeting, the Executive Committee, under the chairmanship of Bishop Edgar A. Love, voted to urge our government, now that negotiations on sick and wounded war prisoners have been successfully held, to reopen the suspended truce negotiations as a whole and to effect an immediate cessation of hostilities; and to use every available diplomatic channel of negotiation toward diminishing and ending the cold war throughout the world—including high-level discussions between President Eisenhower and Premier Malenkov.

The Committee is appealing also to President Eisenhower and the Congress urging repeal of the McCarran-Walter Law, on the grounds that it embodies and features racial, national, creedal and political discrimination, creating a second-class status for the foreign-born and for naturalized citizens, and violating the biblical injunction to be just and fair to the stranger in our midst; and on the grounds also that it needlessly breaks up families, injuring individuals and their liberties, depriving persons of due process of law, reasonable bail, and the cherished democratic rights of free thought, free expression and free association.

Among other stands taken by MFSA Executive Committee are an appeal to the U.S. Government to again support the developing U.N. Covenants on Human Rights, on the Rights of Women, and the Covenant against Genocide; commendations to Mrs. Eleanor Roosevelt for her part in formulating these covenants on rights; commendation of Dean Francis Sayre, Dr. A. Powell Davies, Mrs. Agnes Meyer, Bishop G. Bromley Oxnam, Dr. Geo. Shuster, for their defense of education and religion in the United States against current threats from improper investigating committees; commendation of the Hot Springs, Ark., Baseball Team for their contribution to fair play and equality by taking Negro players into their ball club; commendation of Dean James Pike of Columbia Chapel for refusing to accept an

The Methodist Federation for Social Action, an unofficial membership organization, seeks to deepen within the Church, the sense of social obligation and opportunity to study, from the Christian point of view, social problems and their solutions; and to promote social action in the spirit of Jesus. The Federation rejects the method of the struggle for profit as the economic base for society and seeks to replace it with social-economic planning to develop a society without class or group discriminations and privileges. In seeking these objectives the Federation does not commit its members to any specific program, but remains an inspirational and educational agency, proposing social changes by democratic decision, not by violence.

One trouble is the drop in the farmers' export market—down 30% in the second half of 1952 from the same period in 1951, and expected to decline even further. Factors in this sharp decline in our farm exports include cold war pressure on our allies to buy guns instead of butter, the dollar shortage in foreign countries, & the post-war recovery of foreign agricultural production. Seriousness of this was suggested in The Magazine of Wall Street (12/13/52): "It is estimated that 1/3 of the planted acreage has been for the export market."

One conceivable answer would be a corresponding rise in the domestic market or in consuming power at home. But Americans have been eating less, not more. Per capita food consumption declined about 6% between 1946 & 1952 (B.A.E.). Per capita meat consumption fell from 155 pounds in 1947 to 142 pounds in 1952. Milk and cream consumption fell from 432 pounds in 1945 to 400 in 1952, per capita; and that of fresh vegetables from 272 pounds in 1946 to 241 pounds in 1952.

Surpluses—Too Much of What Millions Need

The above figures indicate inadequate eating, but many in lower income groups eat much less than the average. And if many Americans are undereating, how much more true this is of tens of millions in the underdeveloped countries! In the United Nations' first Report on the World Social Situation (p. 4), we read that "more than half the population of the world is still living at levels which deny them a reasonable freedom from preventable disease; a diet adequate to physical well-being. Over the last 15 years food production has in fact increased less than population in many parts of the world." Prewar food supplies per capita were inadequate, but the U. N. Report (p.41ff.) shows them even more inadequate today: "6% lower in recent years than in the prewar period. Moreover, some of the worst-fed areas of the world have been hit

(Continued on page 14)

honorary degree and an invitation to deliver a baccalaureate address from the University of the South—as a means of supporting the faculty members who resigned in protest against the exclusion of Negro theological students. The Committee voted also to urge our government to use its moral and diplomatic influence on behalf of the South African people who are resisting oppressive racial laws, and to set an example by progressing at this session of Congress towards adoption of long-promised and long-neglected Civil Rights legislation.

Register Now for M.F.S.A. Membership Meeting

The 45th Anniversary M.F.S.A. Convention will be convened by Bishop Edgar A. Love with an Anniversary Dinner 6:00 P.M. Monday, June 1, Palos Park Community Center, Chicago. Adjournment is set for Wednesday afternoon, June 3. (Please note this slight change in dates.) Outstanding leaders include, among others: Dean John B. Thompson, and Prof. Kermit Eby of the University of Chicago; Dr. Harry F. Ward, one of M.F.S.A.'s founders and for 32 years a Secretary; Dr. Lucius Porter, Mr. Earl Willmott, returned China missionaries.

Rates are per meal and per night of lodging. Total for all six meals and both nights will be \$10. We will send further details to registered delegates.

REGISTRATION FORM, 45TH ANNIVERSARY M.F.S.A. MEMBERSHIP MEETING

I plan to attend and want reservations for housing and meals ☐

My \$3 registration fee is enclosed ☐

I cannot attend the meeting, but enclose \$..... as a contribution toward expenses ☐

I enclose my suggestions for the meeting ☐

Name Address

more heavily. Over most of the Far East, where nearly one-half of the world's population is concentrated, declines have generally been 10%. Similar reductions have occurred in North Africa and Near Eastern countries . . . Thus, not only has there been an appreciable fall in the average calorie supply for the world as a whole, but also the large disparities existing between the better-fed and worse-fed nations before the war have markedly widened. In plain words, millions of people in several lands do not get enough food to satisfy their hunger." Food supply has deteriorated not only in quantity, but also in quality. "There is no doubt about the wide prevalence of nutritional deficiency diseases."

Millions hunger and are underfed, but our leaders worry not about failure to produce and distribute enough food, but about failure to keep agricultural production down. The United Press reports (NY Times, April 15, 1953): "Ezra Taft Benson, Secretary of Agriculture, announced today he was getting ready to place production controls on next year's wheat and cotton crops to avert the threat of costly surpluses . . . Mr. Benson said wheat & cotton supplies were climbing dangerously due to previous high production goals set by the Democratic Administration, declining exports to foreign countries & favorable growing weather. At the same time Mr. Benson invited 24 representatives of the egg industry to meet to discuss ways of 'avoiding overproduction' next spring."

The Workers' Declining Share

The A. F. L. in February released "Wages and Economic Stability," showing that since 1949 workers have a smaller share of the fruits of their labor. Productivity (output per man-hour) rose 13.2% from 1949 through 1952, while real factory wages (before taxes) rose only 7%. The Council of Economic Advisers in their January Report (p. 112) also cited the serious lag of wages behind productivity. But since factory workers are better organized than non-factory workers, the 7% rise for factory workers is greater than the rise for all workers. The 7% rise can be dispensed with altogether by taking account of rising taxes and consequent reductions in take-home, spendable pay. "For an unmarried worker, the purchasing power of his weekly pay envelope declined from \$56.39 in 1950 to \$55.53 in 1952; for a worker with 3 dependents, weekly purchasing power rose from \$63.15 in 1950 to \$63.49 in 1952 — gain of only 34c per week, 1/2 of 1%." As a result of this (and also of the fall in farmer income) mass purchasing power is lagging behind production, with the threat that we will have overproduction, stagnation, depression.

Retail Prices Stay High

Though farm and wholesale prices declined considerably, retail prices have remained high. As of mid-March, 1953, the Bureau of Labor Statistics reported consumer prices up slightly from mid-February and up 1.1% from a year earlier. Food prices were down .9 of 1% from a year earlier, though up slightly from mid-February, & still "11.1% above June 1950, when the Korean war began." Abolition of price controls brought "sizeable increases in the retail prices of cigarettes, coffee, gasoline & fuel oil." Relaxation of rent controls have brought rent rises, and housing costs as a whole are "2.5% above a year ago." (NY Times, April 23, 1953)

Profits Also High

For the 1st 3 quarters of 1952 dividends reported publicly were up 4% from the high 1951 levels. The National City Bank April, 1953 Newsletter reports net corporate profits, after the high taxes, were in 1952 still \$12.6 billion—only 2% less than 1951. And 46% of the companies had higher net profits in 1952. Example is General Motors with \$558 million net profits in 1952 against \$506 million in 1951. (CIO News, 3/23/53). And the Wall St. publication, Standard & Poor's Outlook (3/16/53) reports, "Total corporate profits & dividends for 1953 are expected to compare favorably with 1952." Moody's Stock Survey of the same day noted: "Trend of corporate earnings has been sharply upward since the 3rd quarter 1952."

The Threat of Peace Among Men

But some appeared to fear profits would not stay so high if peace came to Korea and the world. Consider these recent headlines from pro-capitalist financial pages: "STOCK LIST BREAKS ON PEACE FEELERS — 'War Babies' Lead — 'War babies,' unsettled by new Communist peace feelers on Korea, led stock prices downward yesterday in the widest one-day break since October, 1951." (NY Times, 3/31/53). "PEACE TALK UPSETS STREET (Wall Street) — Economists and Wall Street analysts wondered yesterday why prospects of peace should so seriously upset the nation's economy. Yet there was a deep disturbance of the economic optimism that has prevailed generally since 1948." (NY Herald Tribune, 4/1/53). "LARD

PRICES DEPRESSED — Week's Declines of 7 to 22 Cents Held Result of Peace Talks." (NY Times, 4/6/53). ALL GRAIN PRICES TURN LOWER IN CHICAGO ON REVIVAL OF KOREAN PEACE NEGOTIATIONS — Revival of peace talks, with evidence of a more conciliatory policy on the part of Communist leaders, was responsible for a major setback in grain and soybeans last week." (NY Times 4/6/53). "STOCKS' PRICES PLUNGE; 3,050,000 SHARES SOLD — The sharpest break in more than 2 years hit the stock market . . . Communist peace offensive has been contributing to nervousness." (NY Herald Tribune, 4/7/53). "SOVIET STEPS RAISE ISSUE OF U. S. SLUMP — Drop in stock market prices immediately after the red doves were sent aloft in Moscow was another reminder to the Administration that the pace of its planning in the domestic economic field was also running behind the pace of world events." (NY Times, 4/8/53).

Disturbance is reported also among some of our private enterprise cold war allies: "KOREA PEACE TALK FELT IN SINGAPORE — Stock Market There Reports One Of Its Blackest Weeks — Rubber, Tin Prices Drop." (NY Times, 4/4/53). "LONDON STOCKS DIP ON PEACE OUTLOOK — Improved prospects of peace in Korea and relaxation of cold-war tension played important part in depressing the stock markets, which have for so long been operating in conditions brought about by actual war & the prospect of its extension to a much wider sphere than the conflict in Korea. It has been suddenly realized peace will bring its problems, as difficult, & perhaps more difficult, as those of war and fears of war. The investment outlook has suddenly become clouded & disturbed with the possibility of substantial readjustments." (NY Times, 4/6/53). "JAPAN SEES SLUMP IF KOREA WAR ENDS — The Korean war, (with) large scale spending in Japan by the U. S. forces, has kept Japan's economy stable . . . Communist field commander's acceptance of the U. N. plan to immediately exchange ailing war prisoners had a deep impact on Japan. Stock prices on the Tokyo & Osaka exchanges plunged immediately." (NY Times, 4/9/53). "ECONOMY OF EUROPE LAGGING—SOVIET SOFT TALK ECONOMIC FACTOR—Such moderate success as Western Europe has had in keeping its national economies functioning depends to an unhealthy degree on the continuance of the cold war. Reduction in U. S. military expenditures would remove one main prop of Western European economic activity (serious because) . . . of the general contracting of activity in the economy of the non-Communist world." (NY Times, 4/14/53). The same issue of the Times cited the Organization for European Economic Cooperation. that "Production has remained static for Western Europe for the last 15 months & in some countries has been declining," with the threat that "the production rate will go lower" and that there will be "economic stagnation in most of Western Europe."

MFSA Executive Committee Action

In its April 13 meeting, the Executive Committee, under the chairmanship of Bishop Edgar A. Love, elected for the next biennium four Secretaries: Rev. Mark Chamberlin, West; Rev. Jack R. McMichael (with responsibility for editing the Social Questions Bulletin); Rev. I. DeQuincy Newman, South; and Dr. Willard Uphaus, Northeast.

Report was made of the membership voting on the issue of the organization's name and location of the national office. Regarding the office location, 44 voted to move the office, and 66 voted in opposition to moving.

M.F.S.A.'s Constitution provides that any change in that Constitution (which the change of name would be) requires that a 2/3 majority of those responding to a mail ballot, vote to make that change. There were 311 votes cast to change the name, 180 against changing. Had a change been effected, 221 voted for Methodists Federated for Social Action, 103 voted for A Fellowship for Christian Social Action, 64 voted for A Fellowship of Methodists for a Christian Social Order, which names had been suggested by the Executive Committee, several months ago. There were 52 other proposals. The name was not changed.

The Committee felt that the requirement of 2/3 majority vote to make a Constitutional change is an undemocratic one. Because of this, the Executive Committee recommends to the membership that the MFSA Constitution be changed so that the requirement for amending the Constitution shall read "may be amended by a majority vote of all responding to a mail ballot sent to the entire voting membership". This portion now reads "may be amended by a 2/3 vote of all responding to a mail ballot sent to the entire voting membership." As authorized by the Committee, all members will be sent by first-class mail, a ballot on this constitutional question. We urge all to participate in this voting, and to send with the ballot any payment needed to bring your membership to paid-up status.

WORLD ECONOMIC SITUATION

World Economic Report 1951-52, released March 29, 1953 by the United Nations, as a report by the Secretary-General, is now before the Economic and Social Council. The printed edition will await conclusion of their discussion. The report deals largely with Major National Economic Changes in Private Enterprise Economies and Centrally Planned Economies.

PRIVATE ENTERPRISE ECONOMIES

Covered are Australia, Belgium, Canada, Denmark, France, Western Germany, Italy, the Netherlands, Norway, Sweden, the United Kingdom, the United States.

Production

"During 1952 industrial production showed definite signs of slackening . . . The index of industrial production for the group as a whole showed no change from 1951 to 1952, as compared with a 10% increase from 1950 to 1951, (p. 1-16)." As to the rise in production in these countries in 1951, the Report explains (p. 1-5) that it was primarily "a result of the rise in military outlays," which "rose substantially and, in all the countries together, accounted for about 3/4 of the total increase in gross national product."

In all these countries industrial production in 1952 only rose in Canada, France, western Germany, and presumably in Australia. "But, even in these countries the rate of increase was much lower than from 1950 to 1951. In all the other countries industrial production remained about the same or declined, reduction being particularly significant in Belgium, Denmark, and the United Kingdom (p. 1-16)."

There was also evidence of stagnation or retardation in agricultural production in 1951/52 as compared with 1950/51. "Only in Canada, western Germany and Italy" did agricultural production increase significantly in these two crop years. "In all other countries, agricultural production in 1951/52 was about the same as in 1950/51 or less, and was either lower or not much higher than in 1949/50. From 1950/51 to 1951/52, agricultural production fell significantly in the Scandinavian countries, the United Kingdom and Australia (p. 1-18, 1-21)."

Employment and Unemployment

In these private enterprise economies, in 1952, "employment increased only in western Germany, Canada and France . . . However, both in Canada and in France, the small increase in employment was partly offset by a small reduction of working hours, so the rise in the employment in man hours was negligible . . . In all other countries employment remained stable or declined somewhat."

"Unemployment did not fall significantly in any country of the group except western Germany. A significant increase in unemployment occurred in Belgium, Italy, the Netherlands, the United Kingdom, and in Denmark . . . In Belgium, Denmark and Italy, and also in western Germany, unemployment was at a relatively high level, the rates ranging from 7% of the labor force in Belgium to 16% in Italy (p. 1-22, 1-25)."

Consumption

"Consumption increased in all countries except Australia and the United Kingdom (p. 1-27)." But "In all countries consumer demand remained below the level which existing productive facilities could supply. In many instances there existed in 1952, as in late 1951, significant pockets of unemployment in consumer goods industries . . . (p. 1-29)."

Prices and Wages

There was a general rise in the cost of living in 1951, and the rise continued in 1952, but with a "distinct slackening in the rate of increase and . . . a definite levelling off in the cost of living by the second half of 1952 . . . The supply position for food, the largest component in the cost of living, was not very favorable in a number of countries, and thus could not contribute to a reduction in the cost of living (p. 1-31)."

"The discrepancies between changes in retail prices and prices of raw materials can be illustrated from the United States . . . United States import prices and prices received by farmers for their products, fell significantly from 1951 to 1952 . . . Wholesale prices fell less, while the cost of living (Consumer retail prices) actually showed a small increase (p. 1-35)."

There was a "general rise in real wages from 1951 to 1952. Largest increases in real wages occurred in Belgium, Canada, France, Italy and Sweden . . . In other countries, increases in real wages remained within a narrow range, (due to) the fact that agricultural production in 1950/51 was the same as in the preceding year, or lower, or that indirect taxes were raised or subsidies reduced. In the United Kingdom, real wages failed

to increase at all, food subsidies were withdrawn in the first half of 1952. In western Germany, increases in real wages were kept down by an increase in indirect taxation. In Australia, indirect taxes were increased and food prices rose rapidly . . . Real wages rose very little . . . Moreover, increases in real wages after taxes were in some instances lower than on a before-tax basis (due to) increases in income tax rates, as for instance in the United States (p. 1-35, 36)."

CENTRALLY PLANNED EASTERN EUROPE

Production and National Income

"Industrial production increased substantially in all countries of this group except Yugoslavia. The rise in industrial production both in 1951 and in 1952 was, in most of the countries of the area, over 15% per annum, the largest proportionate increases being achieved in Hungary and Romania. In the USSR industrial production increased 16% in 1951 and 11% in 1952 . . . The expansion of industrial production was associated with considerable increase in the stock of fixed capital and with introduction of improved methods of production. Increase in output per man in industry was generally 10% or more in both years, except in the USSR where the increase was only 7% in 1952 (p. 2-1)."

Instead of unemployment (except in Yugoslavia) "shortages of labor occurred in several countries in this group (p. 2-1, 2)."

As for agricultural production, "in most of the countries of this area, output in 1951 was higher than in 1950. In Czechoslovakia, Hungary & Yugoslavia, this was partly or wholly the result of recovery from the 1950 drought (2-2)."

"Investment in fixed capital increased considerably in all countries (in centrally planned Eastern Europe) except Yugoslavia. In most countries the proportionate increase was greater than in national income. In the USSR, however, both in 1951 & 1952 the rate of increase in investment appears to be similar to that in national income. There were also significant increases in expenditure for military purposes, including stockpiling, in both years, in all countries. In Yugoslavia investment in fixed capital declined in 1951, but this decline was less than the increase in military expenditure (2-4)."

Consumption and Prices

"Consumption increased in 1951 in the USSR, eastern Germany & Bulgaria. In the USSR, the volume of retail sales increased by 15% in 1951 and by 10% in 1952. In 1951 total consumption may have increased in Czechoslovakia, Hungary, Romania & Poland; urban per capita food consumption declined because of deterioration in food supply. In Yugoslavia total consumption fell (from) the sharp drop in the food supply. In 1952 consumption increased in the USSR, eastern Germany, Bulgaria, Hungary, & especially Yugoslavia, where there was recovery from the preceding year . . .

"In the USSR substantial increase in the supply of consumer goods permitted further reductions in retail prices in 1951 & in 1952 . . . These price reductions were estimated (at) 110 billion rubles in 1950, 34.5 billions in 1951 & about 28 billions in 1952. Reductions of 12 to 30% applied in 1952 to all essential food products. In eastern Germany in 1951 & 1952 prices were reduced, a number of commodities were derated & free sales of other goods increased (2-6)."

USSR's Five-Year Plan

The U.N. Report devotes a section to "the fifth five-year plan of development of the USSR, approved in October, 1952, (for) 1951 to 1955 . . . Total industrial production is scheduled to increase 12% annually . . . Targets for basic industries are well in line with goals for 1960 set in 1946 by Premier Stalin: industrial production three times that of 1940; pig-iron, 50 million tons; steel, 60 million tons; coal, 500 million tons; & oil 60 million tons. Targets (now set) for 1955 are: industrial production three times that of 1940, level originally contemplated for 1960; pig-iron, 34.1 million tons; steel, 44.2 million tons; coal, 372 million tons; oil, 70 million tons. Output of oil by 1960 is to exceed the (original) 1960 target . . . Industrial production is scheduled to increase by 70% during the 5-year period, output per man in industry by 50%, wage & salary earners by 15%. Increase in productivity is to be by further mechanization of industries; . . . a 70% increase in the electric power per employed worker."

Planned is a 65% "increase in the output of consumer-goods," & agricultural increase of "40 to 50% during the 5 years . . .

"Real wages are planned to increase by 35% . . . , total wage bill by 55%. Income of collective farmers by 40% per farmer. . .

Total real income of the population by about 50% between 1950 & 1955 . . . Increase in consumption roughly corresponds to the planned rise in incomes. (pp. 2-12-19)."

The U.N. Report compares the plan's ambitious targets with actual achievements "in the first 2 years in which the plan has been in operation . . . Output in agriculture thus far falls short . . . affected by the drought in certain areas . . . On the other hand, data on industrial production in 1951 & 1952 compare favorably with the plan. Average rates of increase for the first 2 years of the plan exceeded the planned average rates for industrial production & employment, while the increase in productivity approximated the planned average rate. This indicates the plan could be fulfilled even if there is a further slowing down in the rate of industrial expansion during the remaining years of the plan. (2-20-23)."

Like the preceding 5-year plan (1946-1950), this second post-war plan (1951-1955) requires and assumes peace for the USSR & its working populace. (For results of the 1946-1950 plan, see the U.N.'s World Economic Report 1950-1951, pp. 31-33, summarized in Social Questions Bulletin, June, 1952.)

CENTRALLY PLANNED CHINA

"Between 1950 & 1952 industrial production increased about 30% per annum." Output of investment goods rose from 30% of their previous peak in 1949 to 116% of their previous peak in 1952; & that of consumer goods from 70% of their previous peak in 1949 to 132% of that previous peak in 1952. Low 1949 levels reflect the vast war devastation (2-25). "Recovery of industrial production to a level well in excess of the previously recorded peak was accounted for by fuller utilization of existing capacity, & new investment in some important industries, such as textiles & iron & steel. Labor productivity rose.

"Between 1950 & 1952 agricultural production showed annual increase of about 15%, reaching in 1952 13% above the previously recorded peak.

"By the spring of 1952, agrarian reform was complete for more than 90% of the total rural population, with the remaining part scheduled to be completed before the spring of 1953. There was considerable extension of mutual aid teams & productive co-operatives. In 1952 2 of every 5 peasant households were so organized, an increase of 40% over 1951.

"Both government revenue & expenditure rose rapidly from 1950 to 1952. Revenue rose by about 170% & expenditure by about 120%. Rural taxes (were) reduced. Military expenditure increased by 50%; & public investment by 320%.

"Whereas in 1950 the budget was roughly in balance, in 1951 & 1952 substantial surpluses were realized.

"Recovery in industry & agriculture brought large increase in supplies of consumer goods. During 1950 to 1952 consumption in urban & rural areas was estimated to have increased about 20% annually . . . considerable increase in real wages (and) in real incomes of peasants (who benefitted from) abolished rents formerly paid landlords, as well as reductions in rural taxes.

"Retail prices in major cities rose moderately from 1950 to the second half of 1951. Thereafter, they remained stable or declined slightly. (2-27-31)."

Secretary Completes Extended Field Trip

The Executive Secretary spent over five weeks in February and March on an extended field trip for M.F.S.A. The 45 speaking and forum engagements brought new members, friends and supporters in Baltimore, Ga., S. Carolina, New Orleans, Texas, Southern and Northern California, Oregon and Washington, Colorado, Missouri, Chicago, and Michigan. The more detailed report of this profitable and encouraging Federation trip, as presented to the Executive Committee, is available to interested members.

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BEHIND THE HEADLINES

"Peace Fear Depresses Stock Mart" was the heading over an A. P. dispatch. The story said "near panic . . . more than \$2.5 billion worth of quoted values were wiped out . . . sharpest collapse since the week the Korean war started . . . Wall Street fears the economic effect of a change from war to a peace footing." This fear acknowledges the fact that the dependence of our economy upon war and preparations for war to a degree never before reached has increased its incapacity to meet, or even plan for, peace time needs.

What is the reaction of our business and political leaders to this situation? U. S. News and World Report says that some top leaders in the business and financial world are looking forward to heavy orders from defense spending for twenty to thirty years due to international tensions. That is to continuance of the cold war while another generation becomes adult. Meantime the war psychology mounts and the possibility of other Koreans increases.

The first move from the corps of big business executives who man key positions in the administration is a plan to increase efficiency in war production, and make budget cuts possible, by concentrating orders in the biggest corporations. This confines profits and employment to a sector of the economy and so increases and hastens the tendencies toward a gigantic depression.

Dulles announces a shift of mutual security aid from Western Europe to Asia, meaning more military aid to Chiang, the French in Indo-China, the British in Malaya and the rearmament of Japan in violation of her constitution. This will speed the approach of economic collapse in Western Europe; delay and increase the human cost of ending colonialism in Asia, including the attempt of our reactionaries to restore it in China; increase the foreign holdings of a sector of U. S. finance in Asia, but bring no economic relief to the bulk of the American people. As for Japan, under our present policy, cut off from peaceful trade with China her natural market, the only economic alternative, aside from the cut throat competition with the West we will not permit, is another attempt by her restored fascistic militarists to conquer and exploit China, this time with our help.

Thus our policy makers present us with a chain reaction between the economy and war which ends in both economic and moral bankruptcy. The economy incites the cold war in defense of its interests, concealed by propaganda about danger of attack against the nation which our allies refuse to believe. The cold war leads continuously to total war, both by increasing the occasions for it and the economic interest in it. At the same time it brings economic disaster by cutting off trade between East and West, in Europe and the world, and by taking for death the economic resources and efforts that are needed to bring the life more abundant. The bond that is being forged between the economy and war means slow spiritual as well as economic death for the nation unless it is broken in time.

This is the greatest moral challenge of our times to religion—to declare the unrighteousness of an economy that needs war for its sustenance, that produces death more than it produces life; then to make that judgment constructive by pointing out that mutual economic relations are the peaceful alternative to the cold war. How long is the pulpit (with some exceptions), and the collective pulpit of organized protestantism, going to remain without a clear message on this basic moral issue? We sent a plea for this to General Conference. What we got under the pressure of a section of the minority that gets similar results at Washington, in the unseemly haste of closing minutes, was deletion from the Social Creed of the phrase calling for subordination of the profit motive to creative cooperation because it might give the impression of opposition to free enterprise. This implies that free enterprise cannot produce creative cooperation, which of course the monopoly that masquerades under its name cannot. The substitute was support of the principle of acquisition of property by Christian processes, the right of private ownership thereof, with full acknowledgment of stewardship under God and accountability to him.

There is a scriptural word that fits these phrases whose meaning preachers may well ponder-shibboleths. Laymen might consider how these words would sound at the conclusion of a board meeting of U. S. Steel, General Motors, Morgan & Co., the Mellons, the DuPonts, etc.

HFH

M.F.S.A. Sets Up Educational Fund

As a result of the generous bequest of the late Dr. George Albert Coe, outstanding religious educator and social prophet (SQB, Dec. '51), the Federation has been able to set up an educational fund, the annual proceeds from which will be devoted to the production of new and timely Federation pamphlets and other literature. To help the Federation's vital educational work continue, won't you follow Dr. Coe's excellent example and include the Federation in your will? Let us know.